Ontario Hydro

700 University Avenue, Toronto, Ontario M5G 1X6

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MEMORANDUM

ALL USERS

September 1991

File No.: 706.01A

SHORT-TERM ECONOMIC OUTLOOK - FALL REVIEW

Economic data released in the past few months provide strong confirmation that the recession is technically over, in the sense that economic output is once again growing. However, businessmen see recessions differently from economists. Economists define the end of the recession to be when, on average, business is no longer getting worse. But that does not mean it has returned to normal; in the early stages of recovery, business is still bad. Since we have had an extended period of economic declines, it will take many months of growth to reverse its effects, and the total value of GDP is not expected to return to the level it reached in early 1990 until around the end of 1992.

Ontario's economy is especially sensitive to interest rates and the high value of the dollar, and economic activity dropped more sharply in Ontario than in the rest of Canada or in the United States. The Canadian dollar is expected to remain strong through 1992, and therefore it will not provide much stimulus to Canadian exports. However, the drop in interest rates and increase in consumer optimism is starting to bring a turnaround in spending on big-ticket items such as cars, and this should allow Ontario to grow slightly faster than the rest of Canada in 1992. Interest rates are not expected to decline much further in 1992, and could actually rise slightly, due to the Bank of Canada's continued vigilance against inflation and international borrowing pressures.

ALL USERS September 1991

Changes From May 1991 Outlook

	1991	1992	1993	1994	1995
Ontario Real GDP Change*	0	+0.9	0	0	-0.5
Ontario CPI Inflation Rate*	0	0	0	0	0
Prime Interest Rate*	-1.0	-1.1	-0.6	-0.6	-1.0
Gov't Long-Term Bond Rate*	-0.5	-1.0	-0.5	-0.6	-1.0
Canadian Dollar**	+1.0	+1.0	+1.0	0	0
International Crude Oil (WTI)**	-0.7	0	0	-0.2	0

* Difference in percentage points
** Change in price

If you have any questions concerning the Economic Outlook, please feel free to call me (6375) or Donna Gustafson (6391).

Mitchell P. Rothman
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Economics and Forecasts Division

PSS/cdb

Enc.

SHORT-TERM ECONOMIC OUTLOOK
FALL REVIEW

September 1991

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This Review replaces the May Short-Term Economic Outlook. The forecasts contained in it have been approved by the Vice-President, Corporate Planning. They have the status of Corporate Predictions as defined under Section 7 of the OOOH Manual.

Contributors: P.S. Spiro, E.P. Crawford, A.T. Zerek, M. Angastiniotis, S. Mackay, D. Gustafson and C. De Borja (stenographer).

Please direct any questions to
Mitchell P. Rothman (6375) or Donna Gustafson (6391)
For extra copies, call 6394.

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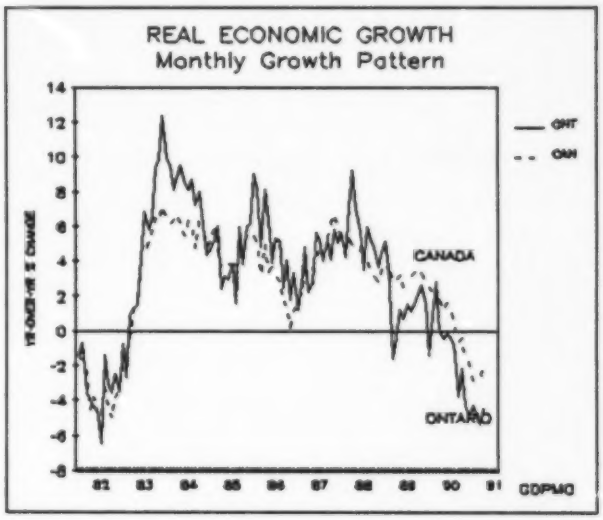
File No.: 706.01A

1. ECONOMIC GROWTH*

	Actual	Forecast			
	1990	1991	1992	1993	1994
Real GDP - Canada	0.5	-1.3	3.5	3.5	4.0
Real GDP - Ontario	-0.6	-1.6	3.9	4.0	4.5
Real GNP - US	1.0	-0.1	2.7	3.0	2.5

* Percentage change from previous year.



The North American economy is well on the road to recovery. Monthly data are less volatile and a clear upward direction is now visible in all but a few sectors. Car sales and housing starts, especially, have outperformed predictions and it will not be long before exports and manufacturing output follow suit. In fact, US GNP for the second quarter was positive. Canadian growth for the same quarter (not available at time of writing) is also expected to register a quarter-over-quarter advance. Moreover, there is a growing school of opinion that growth during the remainder of 1991 and in 1992 could outstrip current expectations.

Interest rates and monetary policy are of central importance to the future course of the economy. While it appears that the monetary climate in the United States is conducive to a recovery in consumer and business spending, Canada has had a tougher monetary policy than our American neighbours for quite some time. Nominal rates in this country, while 4 1/2 percentage points below those of last August, are still well above those in the United States. So are real rates. In addition, neither real nor nominal interest rates have fallen nearly as much as they did from peak to trough in 1982/83.

The net result is that while North American economic growth could surpass the estimates made in the Spring Outlook, it is highly unlikely that it will match the recoveries of either 1976 or 1983/84. As for Ontario, real growth, at 3.9% in 1992, 4.0% in 1993 and 4.5% in 1994, is forecast to exceed the Canadian average. Yet anyone expecting a quick return to the boomlike conditions of the mid-to-late 1980's will be disappointed. The high value of the Canadian dollar and reduced provincial competitiveness suggests that investment spending, while recovering in the medium term, will not match the pace attained in the mid 1980's.

Over the next 12 to 18 months the impetus for growth will come mainly from domestic retail spending, export sales and manufacturing output. Beyond that, activity will spread to construction, business and personal service industries, and to outlays for new machinery and equipment.

2. UNEMPLOYMENT (%)

	Actual	Forecast			
	1990	1991	1992	1993	1994
Canada	8.1	10.6	10.7	10.3	9.2
Ontario	6.3	9.4	8.5	7.3	6.5

Unemployment rates in Ontario topped 10% in June, a level only marginally less than that recorded in Canada as a whole. While it is some consolation that rates have not regained the 12% peaks of the 1982 recession, it is clear that Ontario has suffered greater relative hardship in terms of job losses than anywhere else in Canada. Jobless ratios here are now about 5 percentage points higher than they were 2 years ago. In other provinces, unemployment rates have escalated only 3 percentage points on average.

Moreover, it is unlikely that the unemployment situation will improve markedly in the near term. While the job market has benefitted noticeably from the recent upturn in economic activity, this has not been immediately translated into lower unemployment rates. As is usual in the early stages of an economic recovery, the number of people looking for work escalates much faster than the ability to provide jobs. As a result, unemployment rates do not decline rapidly.

3. INFLATION - CONSUMER PRICE INDEX*

	Actual	Forecast			
	1990	1991	1992	1993	1994
Ontario Composite**	4.8	5.0	3.5	3.8	4.0
Toronto	4.7	4.7	3.5	3.8	4.0
Canada	4.8	5.8	3.4	3.5	4.0
United States	5.4	4.4	3.8	4.0	4.5

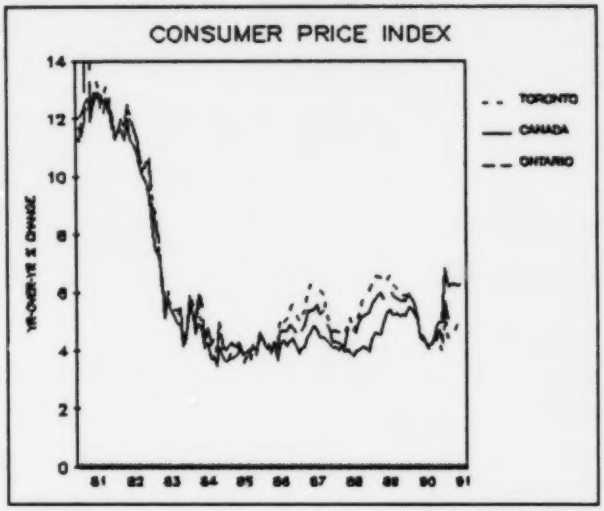
* Percentage change from previous year.
** Provincial Consumer Price Index published by Statistics Canada.

Canadian consumer prices are being influenced by a variety of factors this year. The new Goods and Services Tax is probably of greatest importance. It is estimated to have added a full 1 to 1 1/2 percentage points to the national inflation rate so far in 1991. Whereas price increases normally

CPI increase averaged 6.4% in the January to June period of 1991, well above the 4.8% average of 1990.

The GST, however, is not responsible for all the recent escalation in inflation. Higher taxes, especially at the provincial level, and substantial hikes in oil prices during the Iraq conflict also exerted upward pressure on prices during the first 6 months of 1991.

Looking ahead, oil prices (now lower than they were a year ago) will actually act as a damper to national inflation in the intermediate term. In addition, supply for many raw materials and industrial products now exceeds demand, thus deflating values. In fact, the only real threat of higher inflation, right now, still comes from the high wage settlements achieved as compensation for the GST. It is expected that such increases will not extend beyond 1991.



Toronto, impacted more by the recession than other parts of the country, has experienced inflation rates which are a full 1 1/2 to 2 percentage points lower than the Canadian average. Radically reduced housing prices are part of the explanation, but lower profit margins also figure highly in the equation. The situation is changing, however. With the economy in the early stages of recovery, price increases in Toronto have begun to accelerate. Canadian price increases, on the other hand, are moderating. Assuming no marked rise in provincial taxes next year, Ontario consumer prices are forecast to grow at roughly the same pace as Canada, averaging 3.5% in 1992 and 3.8% in 1993.

Another main consideration in this forecast is the impact of the Bank of Canada's new inflation targets. It is improbable that the goal of 2% inflation by 1995 will be achieved, but the plan will generally help to moderate inflationary expectations.

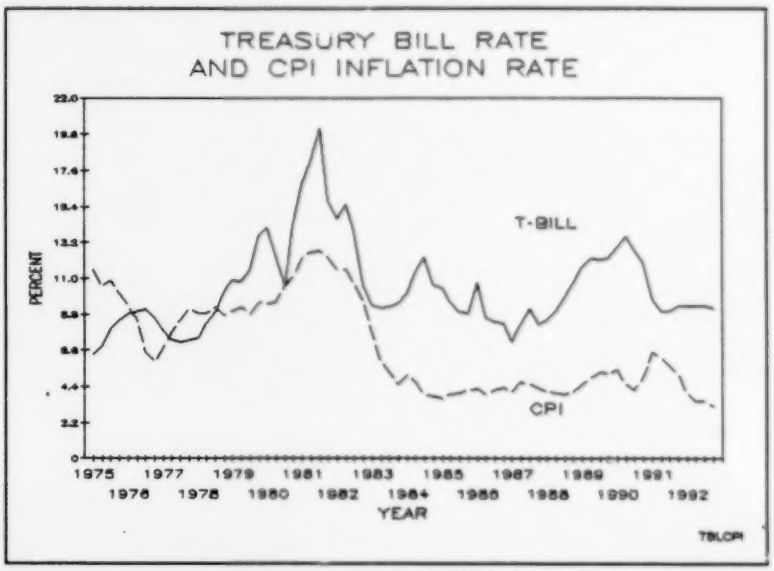
4. FINANCIAL MARKETS

	Actual	Forecast			
	1990	1991	1992	1993	1994
Treasury Bill Rate(%)	12.7	8.8	8.5	8.8	9.0
Gov't Long-Term Bond Rate(%)	10.7	10.0	9.8	9.8	10.0
Canadian Dollar (in US cents)	85.9	87.0	85.5	82.5	80.0

The Bank of Canada rate in late July stood at 8.69 percent, which was only 0.4 percent lower than its level three months earlier. The Bank of Canada appears to be signalling that it is unwilling to let interest rates decline much further. While the Federal Reserve Board in the United States is also

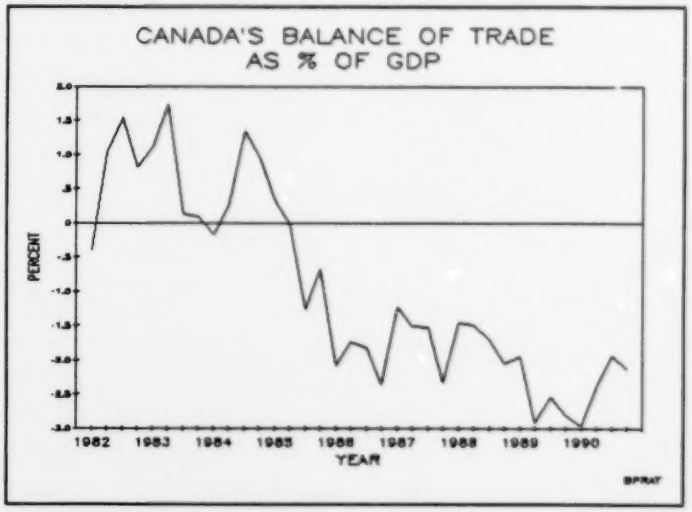
being conservative in reducing rates, the sluggishness of the U.S. recovery may require further interest rate declines.

Many Canadian forecasters are still calling for further interest rate reductions in 1992 because of the expected decline in inflation in that year. This would follow the usual cyclical pattern, in which inflation and short-term interest rates continue to decline for one or two years after economic growth resumes.



The usual cyclical pattern observed over the post-war period could, however, be reasonably called a policy mistake on the part of central banks, because it usually led to rising inflation a few years later. That is something the Bank of Canada is intent on avoiding this time. Interest rate reductions have their strongest impact on spending after about eighteen months. Any further interest rate reductions in 1991 would stimulate the economy in 1993, when it is expected to be in the middle of a recovery. The stimulus would therefore be inflationary.

For Hydro's borrowing, longer term bond yields are more important than Treasury bill rates, and these yields are market determined rather than being set by the Bank of Canada. Under normal conditions, there would be some scope for reduction of long-term bond yields in 1992 due to the anticipated decline in inflation. Unfortunately, political and international factors may prevent this from coming about. The Quebec sovereignty issue is likely to hang over the market as a risk factor for most of the year; a possible dissolution of Canada would create great uncertainties about who will repay Canadian debts. Continuing borrowing pressures internationally (especially in Germany) are also likely to reduce the pool of foreign funds from which Canadians have increasingly been borrowing in the past few years.



The latter factor may also contribute to a gradual downward trend in the value of the Canadian dollar. The dollar is substantially overvalued from the point of view of what it will buy in international trade, but it has been supported by massive foreign borrowing by Canadians. There can be no question that interest rate differentials are behind this, as actual foreign direct investment in Canadian industry has virtually dried up in the past several months. The longer the dollar stays high, the worse Canada's deficit on trade in goods and services (about $20 billion in 1990) will become. As shown in the chart on the previous page, Canada's balance of trade has been deteriorating steadily for the past few years. This deterioration slowed in the past year, because the recession has reduced buying of imports by Canadians, but the deficit is likely to worsen as the economy recovers. Eventually, there may not be enough foreign lending forthcoming to finance this deficit, and then the dollar would crash.

5. ENERGY PRICES

	Actual[1)]	Forecast			
	1990	1991	1992	1993	1994
International Crude Oil - FOB Cost US Imports, US$ per barrel	21.00	18.40	19.40	21.00	23.00
- West Texas Intermediate at Chicago, US$ per barrel	25.10	21.80	22.50	24.00	25.50
Domestic Crude Oil (Ontario), Cdn $ per barrel	27.00	26.50	25.20	28.00	30.70
Natural Gas (Toronto Citygate) Cdn $ per MMBtu	2.55	2.48	2.65	2.95	3.30

1) Estimated

Since the end of the Gulf war, the world oil market has remained very stable and almost uneventful. As the war ended without any damage to Saudi Arabian oil facilities, prices quickly declined to around US$20 per barrel for West Texas Intermediate (WTI) crude at Chicago and have remained in the US$19 to $22 range most of the time. At a meeting in June, OPEC reconfirmed its objective of stabilizing the oil market and its US$21-a-barrel target for the OPEC basket reference price. In the second quarter, OPEC was about US$3/bbl short of this target, and we expect that the current OPEC reference price will be achieved by late 1992 or early 1993.

One of the major short-term uncertainties remains the ability of Kuwait and Iraq to resume their crude oil production. Given OPEC's past record of difficulties in adjusting to additional production, we do not expect this to be a smooth process and it could put downward pressure on prices for the next two years. According to most estimates, it will take many months before the two countries can export any significant quantity of oil and years before production is returned to pre-war levels. In both countries, production facilities, refineries and pipelines were severely damaged and according to oil experts, small quantities of oil from Iraq will be available for export by the end of this year. In the case of Kuwait, no significant export volumes are expected before 1992. This gradual return

of Kuwaiti and Iraqi oil production onto the world oil market will help OPEC to adjust its production quotas to absorb these countries' production.

Downward pressure on natural gas prices has continued this year, especially in early summer, when prices for Alberta 1-year contracts were over 20% lower than in the corresponding period of last year. The substantial surplus of gas in Alberta combined with deliverability limitations on the existing pipeline system, lower demand and lower oil prices have depressed domestic prices to levels not seen in 10 years. The gas market has been so weak that it remained practically indifferent even to the substantial increase of oil prices during the first few months of the Middle-East conflict. Strong gas-on-gas competition, increased share of direct purchase and buy/sell arrangements and discounts negotiated by Local Distributing Companies (LDCs) all contributed to lower prices. In addition, the warm winter and the impact of economic recession have depressed overall demand levels and prices have remained weak. Our current forecast for the Toronto Citygate price is $2.65 (Cdn$ per MMBtu) in 1992, about 12 cents per MMBtu lower than in the spring forecast. For 1993, 1994 and 1995, the forecast has remained almost unchanged.

The excess capacity of Alberta gas is expected to continue through 1993, as domestic demand growth remains sluggish and export demand is constrained by pipeline capacity. Beginning in 1993/94 however, substantial new export pipeline capacity should become available to Alberta producers. At the same time stronger demand from the United States is expected. The need for Ontario consumers to compete with new U.S. customers in this period (in whose regional markets higher prices are expected to prevail), as well as the first onset of expected increases in North American gas demand, are expected to push prices upward.

6. IMPORTANT RISKS TO THE FORECAST

1. Our forecast follows the consensus, which calls for relatively slow economic growth in 1992. There is a risk of higher economic growth than is generally predicted, based on the deep decline in interest rates which has occurred in Canada. As well, if the United States is able to overcome the restraints of its current banking problems, credit and economic growth could grow at a faster pace than presently foreseen by the consensus. This would make Ontario's exports considerably stronger.

2. The risk of turmoil associated with Quebec's quest for sovereignty has so far had relatively little impact on financial markets. If the country threatens to split up it creates the risk of a severe devaluation of financial assets whose worth depends on the reliability of the Canadian government. In the short term, the Bank of Canada can defend against any run on the Canadian dollar, but this creates the risk of higher short-term interest rates. The greatest risk is for long-term bond yields, over which the Bank of Canada has no direct control. Canadian bond yields could rise sharply if it appeared that Quebec is unwilling to take responsibility for its share of the national debt.

1.0 FORECAST TABLES

1.1 ONTARIO

	Actual	Forecast			
	1990	1991	1992	1993	1994
Economic Growth Indicators (% change)					
Real Gross Domestic Product	-0.6	-1.6	3.9	4.0	4.5
Population	1.6	1.5	1.3	1.3	1.3
Labour Force	1.0	1.1	1.6	1.7	1.8
Employment	-0.2	-2.2	2.6	3.0	2.7
Labour Productivity	-0.4	0.6	1.3	1.0	1.8
Unemployment Rate (%)	6.3	9.4	8.5	7.3	6.5
Housing Starts ('000 units)	62.6	46.2	63.3	75.2	70.9
Cost Indicators (% change)					
Consumer Price Index					
Toronto	4.7	4.7	3.5	3.8	4.0
Ontario Average*	4.8	5.0	3.5	3.8	4.0
Average Hourly Earnings					
Manufacturing	5.6	5.0	4.0	4.0	5.0
Construction	7.0	6.0	3.5	4.0	5.0

* Composite Price Index published by Statistics Canada.

1.2 CANADA

	Actual	Forecast			
	1990	1991	1992	1993	1994
Economic Growth Indicators (% change)					
Real Gross Domestic Product	0.5	-1.3	3.5	3.5	4.0
Population	1.4	1.4	1.4	1.4	1.3
Labour Force	1.3	0.3	1.6	1.7	1.7
Employment	0.7	-2.4	1.5	2.2	2.9
Labour Productivity	0.3	0.6	2.0	1.3	1.1
Unemployment Rate (%)	8.1	10.6	10.7	9.9	9.3
Cost Indicators (% change)					
Consumer Price Index					
Total	4.8	5.8	3.4	3.5	4.0
Food	3.9	3.0	2.0	3.7	5.5
Fuel	9.8	7.3	4.5	5.8	3.7
GDP Deflator	3.1	5.0	2.9	3.4	3.6
Industrial Product Price (Economy Aggregate)	0.2	1.8	3.2	3.5	3.6
Average Hourly Earnings - Mfg	5.6	5.5	4.2	4.0	4.5
Interest Rates (% , annual average)					
90 Day Treasury Bill Rate	12.7	8.8	8.5	8.8	9.0
Prime Lending Rate	13.9	9.9	9.6	9.9	10.2
Real Treasury Bill Rate	7.9	3.0	5.1	5.3	5.0
Canada-US T-Bill Differential	5.4	3.3	2.6	2.3	2.2
Government of Canada Bonds					
5 year term	11.0	9.5	9.5	9.4	9.7
20 year term	10.7	10.0	9.8	9.8	10.0
Ontario Hydro Bonds					
5 year term	11.6	10.2	10.1	9.8	10.0
20 year term	11.2	10.6	10.4	10.4	10.5
Foreign Exchange					
Canadian Dollar (US cents)	85.9	87.0	85.5	82.5	80.0

1.3 UNITED STATES

	Actual	Forecast			
	1990	1991	1992	1993	1994
Growth and Cost Indicators (% change)					
Real Gross National Product	1.0	-0.1	2.7	3.0	2.5
Consumer Price Index	5.4	4.4	3.8	4.0	4.5
Total Hourly Compensation	5.0	4.6	4.5	4.5	5.0
Unit Car Sales, (millions)	9.5	8.6	9.4	9.8	9.8
Interest rates (annual average)					
Treasury Bill Rate	7.3	5.5	5.9	6.5	6.8
Government Bonds					
5 year term	8.4	7.7	7.9	7.6	7.7
30 year term	8.6	8.3	8.3	8.4	8.4
Ontario Hydro Bonds					
5 year term	8.8	8.3	8.4	8.0	8.1
30 year term	9.4	9.0	9.0	9.1	9.2

1.4 ENERGY

	Actual	Forecast			
	1990	1991	1992	1993	1994
WORLD OIL PRICES (US $ per Barrel)					
[1] International Oil Price FOB Cost US Imports					
Current US Dollars	21.00	18.40	19.40	21.00	23.00
Constant US 1990 Dollars	21.00	17.60	17.80	18.50	19.50
West Texas Intermediate (WTI) at Chicago					
Current US Dollars	25.10	21.80	22.50	24.00	25.50
Constant US 1990 Dollars	25.10	20.80	20.65	21.20	21.65
CANADIAN CRUDE OIL & NATURAL GAS PRICES					
Crude Oil (Cdn $ per Barrel)					
Ontario Refiners' Acquisition Cost (Light Crude)					
Current Dollars	27.00	26.50	25.20	28.00	30.70
Constant 1990 Dollars	27.00	25.20	23.20	24.80	26.20
Natural Gas (Cdn $ per Million Btu's)					
Average Toronto Citygate Price					
Current Dollar	2.55	2.48	2.65	2.95	3.30
Constant 1990 Dollars	2.55	2.36	2.44	2.60	2.80

1. FOB Cost of US Imports are used now as a proxy for the average international crude oil price.

Table A.1 Historical and Forecast Data - Rates and Percent Changes

Year	Growth (1) GDP			Consumer Price (1) Index			Population (1)	Labour Force (1)	Employment (1)	Unemployment Rate (2)	Labour Productivity (1)
	U.S.	Can.	Ont.	U.S.	Can.	Ont.(3)	Ont.	Ont.	Ont.	Ont.	Ont.
1964	5.3	6.7	7.3	1.3	1.8	N/A	2.3	3.3	3.9	3.2	3.3
1965	5.8	6.6	6.3	1.6	2.5	N/A	2.4	2.3	3.0	2.5	3.2
1966	5.8	6.8	7.0	3.0	3.7	N/A	2.5	6.2	6.1	2.6	0.8
1967	2.9	2.9	4.2	2.8	3.6	N/A	2.4	3.8	3.1	3.2	1.0
1968	4.1	5.4	6.6	4.3	4.1	N/A	1.9	3.1	2.6	3.6	3.8
1969	2.4	5.4	5.8	5.5	4.5	N/A	1.7	3.3	3.7	3.2	2.0
1970	-0.3	2.6	2.2	5.8	3.3	N/A	2.2	3.2	1.9	4.4	0.3
1971	2.8	5.8	5.9	4.3	2.8	N/A	2.0	3.6	2.5	5.4	3.3
1972	5.0	5.7	6.3	3.3	4.8	N/A	1.4	3.6	4.0	5.0	2.1
1973	5.2	7.7	4.8	6.1	7.6	N/A	1.3	3.6	4.4	4.3	0.4
1974	-0.5	4.4	3.1	11.1	10.9	N/A	1.7	4.4	4.2	4.4	-1.0
1975	-1.3	2.6	0.6	9.2	10.7	N/A	1.5	3.6	1.5	6.3	-0.9
1976	4.9	6.2	6.7	5.8	7.5	N/A	1.2	1.7	1.9	6.2	4.8
1977	4.7	3.6	3.5	6.5	8.0	N/A	1.1	2.7	1.8	7.0	1.7
1978	5.3	4.6	3.8	7.6	8.9	N/A	1.0	3.7	3.4	7.2	0.4
1979	2.5	3.9	2.5	11.3	9.1	N/A	0.7	3.3	4.1	6.5	-1.6
1980	-0.2	1.5	-0.3	13.5	10.2	10.3	0.8	1.8	1.5	6.8	-1.8
1981	1.9	3.7	4.0	10.3	12.4	12.0	0.7	2.6	2.9	6.5	1.0
1982	-2.5	-3.2	-3.9	6.2	10.8	10.7	0.9	0.9	-2.6	9.9	-1.3
1983	3.6	3.2	4.3	3.2	5.8	6.2	1.1	1.3	0.6	10.3	3.7
1984	6.8	6.3	9.0	4.3	4.3	4.9	1.2	2.1	3.6	9.0	5.2
1985	3.4	4.8	4.4	3.6	3.9	4.1	1.2	2.2	3.4	8.0	1.1
1986	2.7	3.3	6.2	2.0	4.2	4.4	1.2	2.2	3.4	7.0	2.7
1987	3.4	4.2	4.4	3.6	4.4	5.1	1.6	2.7	3.6	6.1	0.8
1988	4.5	4.7	5.8	4.0	4.0	4.7	1.7	2.5	3.7	5.0	1.9
1989	2.5	2.5	3.0	4.8	5.0	5.8	1.7	1.9	1.8	5.1	1.2
1990	1.0	0.5	-0.6	5.4	4.8	4.8	1.6	1.0	-0.2	6.3	-0.4
1991	-0.1	-1.3	-1.6	4.4	5.8	5.0	1.5	1.1	-2.2	9.4	0.6
1992	2.7	3.5	3.9	3.8	3.4	3.5	1.3	1.6	2.6	8.5	1.3
1993	3.0	3.5	4.0	4.0	3.5	3.8	1.3	1.7	3.0	7.3	1.0
1994	2.5	4.0	4.5	4.5	4.0	4.0	1.3	1.8	2.7	6.5	1.8
1995	2.5	4.5	4.0	4.5	4.5	4.5	1.3	1.8	3.0	5.6	1.0
1996-2000	2.2	3.4	3.3	5.0	5.0	5.0	1.2	1.6	1.6	5.1	1.7
2001-2005	2.0	2.9	2.8	5.0	5.0	5.0	1.0	1.5	1.5	4.7	1.3
2006-2010	1.8	2.7	2.6	5.0	5.0	5.0	1.0	1.2	1.2	4.7	1.4
2011-2015	1.8	2.4	2.4	5.0	5.0	5.0	0.9	0.9	0.9	4.4	1.5

1. Average Annual Percent Change. GNP for US
2. Percent
3. Statistics Canada, Ontario Composite CPI

Table A.1 (Cont'd) Historical and Forecast Data - Rates and Percent Changes

Year	Average Hourly Earnings Manufacturing (1) Can.	Ont.	Construction Ont.	90 Day T-Bill Rate Canada (2)	Prime Rate	Treasury Bill Rate U.S. (2)	Government of Canada Bonds 5 Year (2)	20 Year (2)	Canadian Dollar (3) (US cents)
1964	3.6	4.0	4.0	3.7	5.8	3.5	4.7	5.2	92.7
1965	4.8	5.3	9.6	4.0	5.8	3.9	4.9	5.2	92.8
1966	6.1	5.1	9.6	5.0	6.0	4.9	5.5	5.7	92.8
1967	7.0	6.6	8.8	4.6	5.9	4.3	5.6	5.9	92.7
1968	7.4	7.4	8.1	6.3	6.9	5.3	6.7	6.7	92.8
1969	8.2	8.4	11.9	7.2	8.0	6.7	7.7	7.6	92.9
1970	8.0	8.5	16.1	6.0	8.2	6.4	7.1	7.9	95.8
1971	8.9	8.8	12.0	3.6	6.5	4.3	5.6	6.9	99.0
1972	7.8	7.8	9.6	3.6	6.0	4.1	6.3	7.2	100.9
1973	8.9	8.9	9.6	5.5	7.6	7.0	7.0	7.6	100.0
1974	13.4	11.5	10.9	7.8	10.8	7.8	8.1	8.9	102.3
1975	15.7	14.4	11.6	7.4	9.4	5.8	7.7	9.0	98.3
1976	13.8	13.2	14.2	8.9	10.0	5.0	8.4	9.2	101.4
1977	10.8	10.2	12.1	7.3	8.5	5.3	7.9	8.7	94.1
1978	7.2	6.7	5.5	8.7	9.7	7.2	9.0	9.3	87.7
1979	8.8	8.3	6.6	11.7	12.9	10.1	10.4	10.2	85.4
1980	10.1	9.3	9.6	12.8	14.3	11.4	12.4	12.5	85.5
1981	12.0	11.7	11.0	17.7	19.3	14.0	15.7	15.2	83.4
1982	11.7	11.4	8.3	13.7	15.8	10.6	14.0	14.3	81.1
1983	7.0	7.2	6.5	9.3	11.2	8.6	10.6	11.8	81.1
1984	5.9	6.3	1.5	11.1	12.1	9.5	11.9	12.8	77.2
1985	3.9	4.0	3.3	9.4	10.6	7.5	10.4	11.0	73.2
1986	3.1	4.3	3.5	9.0	10.5	6.0	9.2	9.5	72.0
1987	3.5	3.7	6.9	8.1	9.5	5.8	9.4	10.0	75.4
1988	4.9	5.4	3.7	9.5	10.8	6.7	9.8	10.2	81.3
1989	5.5	4.9	6.4	12.1	13.3	8.1	10.2	9.9	84.5
1990	5.6	5.6	7.0	12.7	13.9	7.3	11.0	10.7	85.9
1991	5.5	5.0	6.0	8.8	9.9	5.5	9.5	10.0	87.0
1992	4.2	4.0	3.5	8.5	9.6	5.9	9.5	9.8	85.5
1993	4.0	4.0	4.0	8.8	9.9	6.5	9.4	9.8	82.5
1994	4.5	5.0	5.0	9.0	10.2	6.8	9.7	10.0	80.0
1995	4.5	5.0	5.0	9.0	10.4	7.4	9.6	10.0	80.0
1996-2000	6.3	6.3	6.3	9.0	10.4	7.1	9.6	10.0	80.0
2001-2005	6.3	6.3	6.3	8.5	9.8	6.8	9.1	9.5	80.0
2006-2010	6.4	6.4	6.4	8.2	9.5	6.6	8.8	9.2	79.0
2011-2015	6.5	6.5	6.5	8.5	9.8	7.0	9.1	9.5	78.0

1. Average Annual Percent Change
2. Percent
3. Statistics Canada, Ontario Composite CPI

Table A.2 Historical and Forecast Data - Levels and Indexes

	Real Growth			Cost Indicators						Ontario Demographic Variables			
	GNP	GDP		Consumer Price Index			Average Hourly Earnings (7)				Labour		Labour
Year	U.S.(1)	Can.(2)	Ont.(2)	U.S.(3)	Can.(4)	Ont.(4,8)	Can.	Manufac Ont.	Constr. Ont.	Population(5)	Force	Employment	Productivity(6)
1964	1973	203382	82221	31.0	25.1	N/A	1.92	2.06	2.08	6627	2567	2483	33114
1965	2088	216802	87396	31.5	25.7	N/A	2.01	2.17	2.28	6783	2625	2558	34166
1966	2208	231519	93475	32.5	26.6	N/A	2.14	2.28	2.50	6954	2787	2714	34442
1967	2271	238306	97385	33.4	27.6	N/A	2.29	2.43	2.72	7122	2891	2799	34793
1968	2366	251064	103789	34.8	28.7	N/A	2.45	2.61	2.94	7258	2980	2873	36126
1969	2423	264508	109818	36.7	30.0	N/A	2.65	2.83	3.29	7385	3077	2979	36864
1970	2416	271372	112252	38.8	31.0	N/A	2.87	3.07	3.82	7549	3177	3037	36961
1971	2485	286998	118830	40.5	31.9	N/A	3.12	3.34	4.28	7699	3290	3113	38172
1972	2609	303447	126272	41.8	33.4	N/A	3.37	3.60	4.69	7806	3410	3239	38985
1973	2744	326848	132279	44.4	35.9	N/A	3.67	3.92	5.14	7911	3532	3380	39136
1974	2729	341235	136440	49.3	39.9	N/A	4.16	4.37	5.70	8048	3686	3523	38728
1975	2695	350113	137227	53.8	44.2	N/A	4.81	5.00	6.36	8167	3818	3576	38374
1976	2827	371688	146481	56.9	47.5	N/A	5.47	5.66	7.26	8262	3882	3643	40209
1977	2959	385122	151654	60.6	51.3	N/A	6.07	6.24	8.14	8350	3986	3708	40899
1978	3115	402737	157443	65.2	55.9	N/A	6.50	6.66	8.59	8435	4133	3835	41054
1979	3192	418328	161308	72.6	61.0	60.4	7.07	7.21	9.16	8498	4271	3993	40398
1980	3187	424537	160777	82.4	67.2	66.6	7.79	7.88	10.04	8564	4350	4053	39669
1981	3249	440127	167162	90.9	75.5	74.6	8.72	8.80	11.14	8621	4463	4171	40077
1982	3166	425970	160702	96.5	83.7	82.6	9.75	9.80	12.07	8699	4502	4063	39553
1983	3279	439448	167691	99.6	88.5	87.7	10.43	10.51	12.86	8795	4561	4089	41010
1984	3501	467167	182755	103.9	92.4	92.0	11.04	11.17	13 05	8901	4655	4235	43153
1985	3619	489437	190881	107.6	96.0	95.8	11.47	11.61	13.48	9007	4758	4377	43610
1986	3718	505666	202710	109.7	100.0	100.0	11.83	12.11	13.95	9115	4862	4524	44808
1987	3845	526730	211708	113.7	104.4	105.1	12.24	12.55	14.92	9264	4992	4689	45150
1988	4017	551423	223997	118.3	108.6	110.0	12.84	13.23	15.47	9426	5118	4862	46071
1989	4118	564990	230677	124.0	114.0	116.4	13.55	13.88	16.46	9583	5214	4949	46611
1990	4159	567541	229293	130.7	119.5	122.0	14.31	14.66	17.61	9738	5268	4937	46444
1991	4155	560163	225624	136.4	126.4	128.1	15.10	15.39	18.67	9882	5327	4829	46728
1992	4267	579769	234424	141.6	130.7	132.6	15.73	16.01	19.32	10012	5415	4954	47320
1993	4395	600061	243801	147.3	135.3	137.6	16.36	16.65	20.10	10146	5505	5104	47770
1994	4505	624063	254869	153.9	140.7	143.1	17.10	17.48	21.10	10283	5604	5241	48626
1995	4617	652146	265064	160.8	147.1	149.6	17.86	18.35	22.16	10416	5702	5396	49122
2000	5148	770810	311783	205.3	187.7	190.9	24.25	24.91	30.07	11054	6169	5853	53266
2005	5684	889251	357598	262.0	239.5	243.6	32.91	33.81	40.81	11644	6633	6318	56599
2010	6214	1015960	406171	334.3	305.7	310.9	44.88	46.10	55.66	12209	7051	6720	60445
2015	6794	1143869	457080	426.7	390.2	396.8	61.49	63.17	76.25	12758	7366	7041	64912

1. Billions of 1982 Dollars
2. Millions of 1986 Dollars
3. 1982 to 1984 = 100
4. 1986 = 100
5. Thousands
6. 1986 Dollars
7. Dollars
8. Statistics Canada, Ontario Composite CPI